

AMENDED IN SENATE APRIL 22, 2010

AMENDED IN SENATE APRIL 8, 2010

AMENDED IN SENATE MARCH 25, 2010

SENATE BILL

No. 1241

**Introduced by Senator Wolk
(Coauthor: Senator Hancock)**

February 19, 2010

An act to add *and repeal* Part 8 (commencing with Section 38600) to Division 25.5 of the Health and Safety Code, relating to greenhouse gas emissions.

LEGISLATIVE COUNSEL'S DIGEST

SB 1241, as amended, Wolk. Greenhouse gas emissions reduction: ~~agriculture: grant program.~~ *agriculture.*

Existing law sets forth various powers and duties of the Secretary of Food and Agriculture and the Department of Food and Agriculture. Existing law, the Cannella Environmental Farming Act of 1995, requires the department to establish and oversee an environmental farming program to provide incentives to farmers whose practices promote the well-being of ecosystems, air quality, and wildlife and their habitat, and requires the secretary to convene a Scientific Advisory Panel on Environmental Farming for the purpose of providing advice and assistance to federal, state, and local government agencies on issues relating to air, water, and wildlife habitat.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit

equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions.

~~This bill would require the secretary to administer an unspecified percentage of certain funds, which are subject to appropriation by the Legislature, in consultation with~~ *establish and convene* the California Agricultural Climate Benefits Advisory Committee, ~~which the bill would require the secretary to establish, as specified, to be used for costs of administration or grants, as provided, to reduce greenhouse gas emissions in the state's agricultural sector.~~ *to advise the state board on strategies to support agricultural activities that reduce global warming impacts that may negatively impact agriculture and the rest of the state. The provisions of this bill would become inoperative on July 1, 2013, and would be repealed on January 1, 2014.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~yes~~-no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) California agriculture is a \$37 billion per year industry, one
- 4 of the state's largest and most significant industries. California
- 5 agriculture supplies 90 percent of the nation's almonds, apricots,
- 6 raisins, olives, pistachios, walnuts, and wine grapes, and more than
- 7 one-half of the country's fruit and vegetables.
- 8 (2) Dependent on land and natural resources, California
- 9 agriculture is uniquely vulnerable to global warming. Global
- 10 warming poses a serious threat to California agriculture with rising
- 11 temperatures, increases in extreme weather events, reduced winter
- 12 chilling hours, drier conditions, and rising sea levels.
- 13 (3) California agriculture is also uniquely positioned to provide
- 14 climate benefits by reducing greenhouse gas emissions. Research
- 15 funded by the California Energy Commission's Public Interest
- 16 Energy Research (PIER) program suggests that some agricultural
- 17 practices will not only reduce greenhouse gas emissions, but they
- 18 may also help to sequester atmospheric carbon in the soil.
- 19 Atmospheric carbon sequestration is an important strategy to help
- 20 meet the state's greenhouse gas emissions targets.

(4) Steps taken by California agriculture to reduce greenhouse gas emissions and sequester atmospheric carbon can provide other important environmental cobenefits, such as improved air and water quality, water conservation, and enhanced wildlife habitat.

(b) It is therefore the intent of the Legislature to enhance the long-term viability of California agriculture by supporting activities that reduce global warming impacts that may negatively impact it and the rest of the state.

(c) It is further the intent of the Legislature that the Department of Food and Agriculture, pursuant to this act, support California agriculture in pursuing voluntary reductions in greenhouse gas emissions and atmospheric carbon sequestration.

SEC. 2. Part 8 (commencing with Section 38600) is added to Division 25.5 of the Health and Safety Code, to read:

PART 8. *AGRICULTURAL* GREENHOUSE GAS EMISSIONS
REDUCTION

38600. The purpose of this part is to ensure that California maximizes its opportunities to achieve voluntary greenhouse gas emission reductions in the state's agricultural sector while also achieving environmental cobenefits.

38601. For the purposes of this part, the following terms have the following meanings:

(a) "Advisory committee" means the California Agricultural Climate Benefits Advisory Committee created pursuant to Section ~~38604~~ 38602.

(b) "Environmental cobenefits" means benefits or improvements to the environment, including, but not limited to, water conservation, improved air or water quality, increased soil organic matter, and enhanced wildlife habitat, that occur as a result of reduced greenhouse gas emissions or sequestration of atmospheric carbon.

(c) "Processor" means the persons, places, and establishments described in Sections 20019, 32513, and 55407 of the Food and Agricultural Code.

(d) "Producer" means the persons described in Sections 55408 and 64507 of the Food and Agricultural Code.

(e) "Secretary" means the Secretary of Food and Agriculture.

1 ~~38602. Notwithstanding any other law, not less than _____~~
2 ~~percent of funds generated pursuant to either of the following shall~~
3 ~~be made available, upon appropriation by the Legislature, to fund~~
4 ~~activities consistent with this part that will reduce greenhouse gas~~
5 ~~emissions in the state's agricultural sector:~~

6 ~~(a) Revenues generated pursuant to compliance mechanisms~~
7 ~~adopted by the State Air Resources Board and paid by the sources~~
8 ~~of greenhouse gas emissions regulated pursuant to this division:~~

9 ~~(b) Funds from federal climate change programs that are~~
10 ~~dedicated to or otherwise accrue to the state for climate change~~
11 ~~projects and programs that are consistent with the purposes of this~~
12 ~~part.~~

13 ~~38603. Funds made available pursuant to Section 38602 shall~~
14 ~~be administered by the secretary, in consultation with the advisory~~
15 ~~committee established pursuant to Section 38604, and may be used~~
16 ~~for either of the following:~~

17 ~~(a) The cost of administering this part.~~

18 ~~(b) Grants for any of the following:~~

19 ~~(1) Research and demonstration projects that reduce greenhouse~~
20 ~~gas emissions or sequester atmospheric carbon through agricultural~~
21 ~~technologies, practices, or farming systems and provide~~
22 ~~environmental cobenefits. Eligible recipients may include~~
23 ~~California producers, California institutions of higher education,~~
24 ~~state or local agencies, and nonprofit organizations.~~

25 ~~(2) Technical assistance, which shall include, but not be limited~~
26 ~~to, development of outreach and training programs to assist~~
27 ~~agricultural producers in adopting agricultural technologies,~~
28 ~~practices, or farming systems that reduce greenhouse gas emissions~~
29 ~~or sequester atmospheric carbon and provide environmental~~
30 ~~cobenefits. Eligible recipients may include California institutions~~
31 ~~of higher education, state or local agencies, and nonprofit~~
32 ~~organizations with a demonstrated capacity to deliver technical~~
33 ~~assistance to California agricultural producers.~~

34 ~~(3) Financial incentives for California agricultural producers to~~
35 ~~do any of the following:~~

36 ~~(A) Generate greenhouse gas emission reductions that may not~~
37 ~~be economically viable as an offset project.~~

38 ~~(B) Demonstrate and test new or uncertain methods to reduce~~
39 ~~greenhouse gas emissions or sequester atmospheric carbon.~~

1 ~~(C) Be an early adopter of agricultural technologies, practices,~~
2 ~~or farming systems that reduce greenhouse gas emissions or~~
3 ~~sequester atmospheric carbon.~~

4 ~~(4) Research and demonstration projects, technical assistance~~
5 ~~and financial incentives for California processors to reduce~~
6 ~~greenhouse gas emissions from their facilities through energy~~
7 ~~efficiency, renewable energy, or processing efficiencies. In~~
8 ~~recommending and selecting projects from this category, the~~
9 ~~advisory committee and secretary shall give preference to those~~
10 ~~projects that include environmental cobenefits.~~

11 ~~(e) Grant funds shall be divided equally across all four grant~~
12 ~~categories, as described in subdivision (b), unless the secretary~~
13 ~~determines, in consultation with the advisory committee established~~
14 ~~pursuant to Section 38604, that a different apportionment of funds~~
15 ~~would best serve the purposes of this part.~~

16 ~~(d) Notwithstanding subdivision (e), not more than 25 percent~~
17 ~~of grant funds shall be awarded to projects for processors as~~
18 ~~described in paragraph (4) of subdivision (b).~~

19 ~~38604. (a) Not later than July 1, 2011, the secretary shall~~
20 ~~establish the California Agricultural Climate Benefits Advisory~~
21 ~~Committee to achieve the purposes of this part. The secretary shall~~
22 ~~appoint its members as follows:~~

23 ~~(1) Five members who are agricultural producers, including at~~
24 ~~least two certified organic producers.~~

25 ~~(2) Three members who are researchers with an institution of~~
26 ~~higher education with expertise in agriculture and climate change.~~

27 ~~(3) Three members from nonprofit organizations with expertise~~
28 ~~in climate change and agriculture.~~

29 ~~(4) One member who is a processor.~~

30 ~~(5) One ex officio member from each of the following public~~
31 ~~agencies:~~

32 ~~(A) Department of Conservation.~~

33 ~~(B) State Air Resources Board.~~

34 ~~(C) United States Department of Agriculture, Natural Resources~~
35 ~~Conservation Service.~~

36 ~~(D) United States Environmental Protection Agency, Region~~
37 ~~IX.~~

38 ~~(E) The Department of Food and Agriculture.~~

39 ~~(b) Each advisory committee member shall designate his or her~~
40 ~~alternate, who shall meet the same qualifications identified in~~

1 subdivision (a) as the member for whom the alternate is serving.
2 An alternate member shall serve at an advisory committee meeting
3 only in the absence of, and shall have the same powers and duties
4 as, the member for whom he or she is designated as an alternate,
5 except for duties and powers as an officer of the committee. The
6 number of alternates present who are not serving in the capacity
7 of a member shall not be considered in determining a quorum.

8 (c) An alternate member may serve at an advisory committee
9 subcommittee meeting only in the absence of, and shall have the
10 same powers and duties as, the member for whom he or she is
11 designated as an alternate, except for duties and powers as a
12 subcommittee chairperson.

13 (d) The members and alternates of the advisory committee shall
14 serve without compensation but shall be reimbursed for the
15 reasonable expenses actually incurred in the performance of their
16 duties, as determined by the advisory committee and approved by
17 the secretary.

18 (e) The secretary shall appoint the members of the committee
19 from nominations by interested persons and organizations with
20 expertise in agriculture and climate change. The secretary shall
21 make all feasible efforts to appoint members of the advisory
22 committee who reflect a range of views from agricultural, scientific,
23 environmental protection, and resource conservation interests that
24 will enhance the successful implementation of this part.

25 (f) A member of the committee shall serve for a term of three
26 years, except that the secretary shall appoint the original members
27 of the committee for staggered terms as follows:

28 (1) One member appointed pursuant to paragraphs (1), (2), and
29 (3) of subdivision (a) shall serve for one year.

30 (2) Two members appointed pursuant to paragraph (1), and one
31 member appointed pursuant to paragraphs (2) and (3), of
32 subdivision (a) shall serve for two years.

33 (3) Two members appointed pursuant to paragraph (1), and one
34 member appointed pursuant to paragraphs (2) and (3), of
35 subdivision (a) shall serve for three years.

36 (g) In administering grant funds pursuant to Section 38603, the
37 secretary shall seek and consider input from the advisory committee
38 on matters related to the purposes of this part, including, but not
39 limited to, all of the following:

40 (1) Establishing criteria for grant proposals.

1 ~~(2) Reviewing grant proposals.~~

2 ~~(3) Recommendations regarding the approval of grant proposals.~~

3 ~~(4) Recommendations regarding the implementation of this part.~~

4 ~~(h) Advisory committee members shall recuse themselves from~~
5 ~~reviewing grant proposals from any grant category in which either~~
6 ~~of the following conditions are met:~~

7 ~~(1) For a member appointed pursuant to paragraph (1), (3), or~~
8 ~~(4) of subdivision (a), if a person from the same private business~~
9 ~~or nonprofit organization as the member has applied for a grant~~
10 ~~pursuant to this part and would directly benefit from the grant~~
11 ~~funding.~~

12 ~~(2) For a member appointed pursuant to paragraph (2) of~~
13 ~~subdivision (a), if a person from the same department or field~~
14 ~~station as the member has applied for a grant pursuant to this part~~
15 ~~and would directly benefit from the grant funding.~~

16 ~~(i) Advisory committee members shall not be required to recuse~~
17 ~~themselves from reviewing grant proposals in any grant category~~
18 ~~for which the conditions of subdivision (h) have not been met.~~

19 ~~(j) The secretary shall designate department staff to provide~~
20 ~~appropriate staff services to the advisory committee.~~

21 ~~38605. In establishing criteria for grant proposals and awarding~~
22 ~~grants, the advisory committee and the secretary shall do all of the~~
23 ~~following:~~

24 ~~(a) Give priority to proposals for research and demonstration~~
25 ~~projects, pursuant to paragraph (1) of subdivision (b) of Section~~
26 ~~38603, that include multiple coapplicants and that include at least~~
27 ~~one agricultural producer in the development and implementation~~
28 ~~of the project.~~

29 ~~(b) Consider the appropriate use of matching funds requirements~~
30 ~~for research and demonstration projects and technical assistance~~
31 ~~projects, pursuant to paragraphs (1) and (2) of subdivision (b) of~~
32 ~~Section 38603, provided that matching funds requirements not~~
33 ~~exceed 25 percent of the total award by the state.~~

34 *38602. (a) No later than July 1, 2011, the secretary shall*
35 *establish and convene the California Agricultural Climate Benefits*
36 *Advisory Committee to advise the state board on strategies to*
37 *support agricultural activities that reduce global warming impacts*
38 *that may negatively impact agriculture and the rest of the state,*
39 *in order to enhance the long-term viability of California agriculture*
40 *and maximize the state's opportunities to achieve voluntary*

1 *greenhouse gas emission reductions in the state's agricultural*
2 *sector while also achieving environmental cobenefits.*

3 *(b) (1) The advisory committee shall be composed of the*
4 *following members appointed by the secretary:*

5 *(A) Five members who are agricultural producers, including*
6 *at least two certified organic producers.*

7 *(B) Three members who are researchers with an institution of*
8 *higher education with expertise in agriculture and climate change.*

9 *(C) Three members from nonprofit organizations with expertise*
10 *in climate change and agriculture.*

11 *(D) One member who is a processor.*

12 *(E) One ex officio, nonvoting member from each of the following*
13 *public agencies:*

14 *(i) Department of Conservation.*

15 *(ii) State board.*

16 *(iii) United States Department of Agriculture, Natural Resources*
17 *Conservation Service.*

18 *(iv) United States Environmental Protection Agency, Region*
19 *IX.*

20 *(v) Department of Food and Agriculture.*

21 *(2) The secretary shall appoint the members of the advisory*
22 *committee from nominations by interested persons and*
23 *organizations with expertise in agriculture and climate change.*
24 *The secretary shall make all feasible efforts to appoint members*
25 *of the advisory committee who reflect a range of views from*
26 *agricultural, scientific, environmental protection, and resource*
27 *conservation interests that will enhance the successful*
28 *implementation of this part.*

29 *(c) The advisory committee shall identify and recommend*
30 *strategies to implement and to secure resources to further all of*
31 *the following:*

32 *(1) Research and demonstration projects that reduce greenhouse*
33 *gas emissions or sequester atmospheric carbon through*
34 *agricultural technologies, practices, or farming systems, and*
35 *provide environmental cobenefits.*

36 *(2) Technical assistance, including, but not limited to,*
37 *development of outreach and training programs to assist*
38 *agricultural producers in adopting agricultural technologies,*
39 *practices, or farming systems that reduce greenhouse gas emissions*

1 *or sequester atmospheric carbon and provide environmental*
2 *cobenefits.*

3 *(3) Financial incentives for California agricultural producers*
4 *and processors to do any of the following:*

5 *(A) Generate greenhouse gas emission reductions that may not*
6 *be economically viable as an offset project.*

7 *(B) Demonstrate and test new or uncertain methods to reduce*
8 *greenhouse gas emissions or sequester atmospheric carbon.*

9 *(C) Early adoption of agricultural technologies, practices, or*
10 *farming systems that reduce greenhouse gas emissions or sequester*
11 *atmospheric carbon.*

12 *(d) The advisory committee may recommend the use of funds*
13 *generated pursuant to market-based compliance mechanisms*
14 *adopted by the state board and paid by the sources of greenhouse*
15 *gas emissions regulated pursuant to this division, and funds from*
16 *federal climate change programs that are dedicated to or otherwise*
17 *accrue to the state for climate change projects and programs.*

18 *(e) This section shall be implemented with existing resources.*

19 *38603. This part shall become inoperative on July 1, 2013,*
20 *and, as of January 1, 2014, is repealed, unless a later enacted*
21 *statute, that becomes operative on or before January 1, 2014,*
22 *deletes or extends the dates on which it becomes inoperative and*
23 *is repealed.*